

# **Olympus Group**

## **Financial Results for the 1st Quarter of Fiscal Year Ending March 31, 2014**

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# **Consolidated Financial Results and Business Overview for the 1Q (Apr.-Jun.) of Fiscal 2014 (Fiscal Year Ending March 2014)**

# 1Q of Fiscal 2014 (1) Consolidated Financial Results

- ✓ Overall results supported by strong performance in Medical Business, substantial increase in operating income (approx. 4 times higher YOY)
- ✓ Results in line with initial forecasts announced in May 2013

(Billions of yen)	Fiscal 2013 1Q (Apr - Jun)	Fiscal 2014 1Q (Apr - Jun)	YoY Change	YoY (%)	YoY After adjusting impact*
Net sales	189.5	159.2	-30.3	-16%	+3%
SG&A expenses (% of sales)	84.5 (44.6%)	85.9 (54.0%)	+1.4 (+9.4pt)	+2%	-
Operating income (% of sales)	2.1 (1.1%)	8.2 (5.1%)	+6.0 (+4.0pt)	+286%	+250%
Ordinary income (% of sales)	-0.2 (-)	2.4 (1.5%)	+2.6 (-)	-	-
Net income (% of sales)	-4.5 (-)	-1.8 (-)	+2.6 (-)	-	-

## [ Foreign exchange rates and impact]

¥/US\$	¥80	¥99	+¥19 (yen depreciation)
¥/Euro	¥103	¥129	+¥26 (yen depreciation)

Impact on net sales	-	+23.4 bil.
Impact on operating income	-	+1.8 bil.

\* YOY changes exclude the impacts of foreign exchange, transference of the Information & Communication Business, and disposal of subsidiaries.

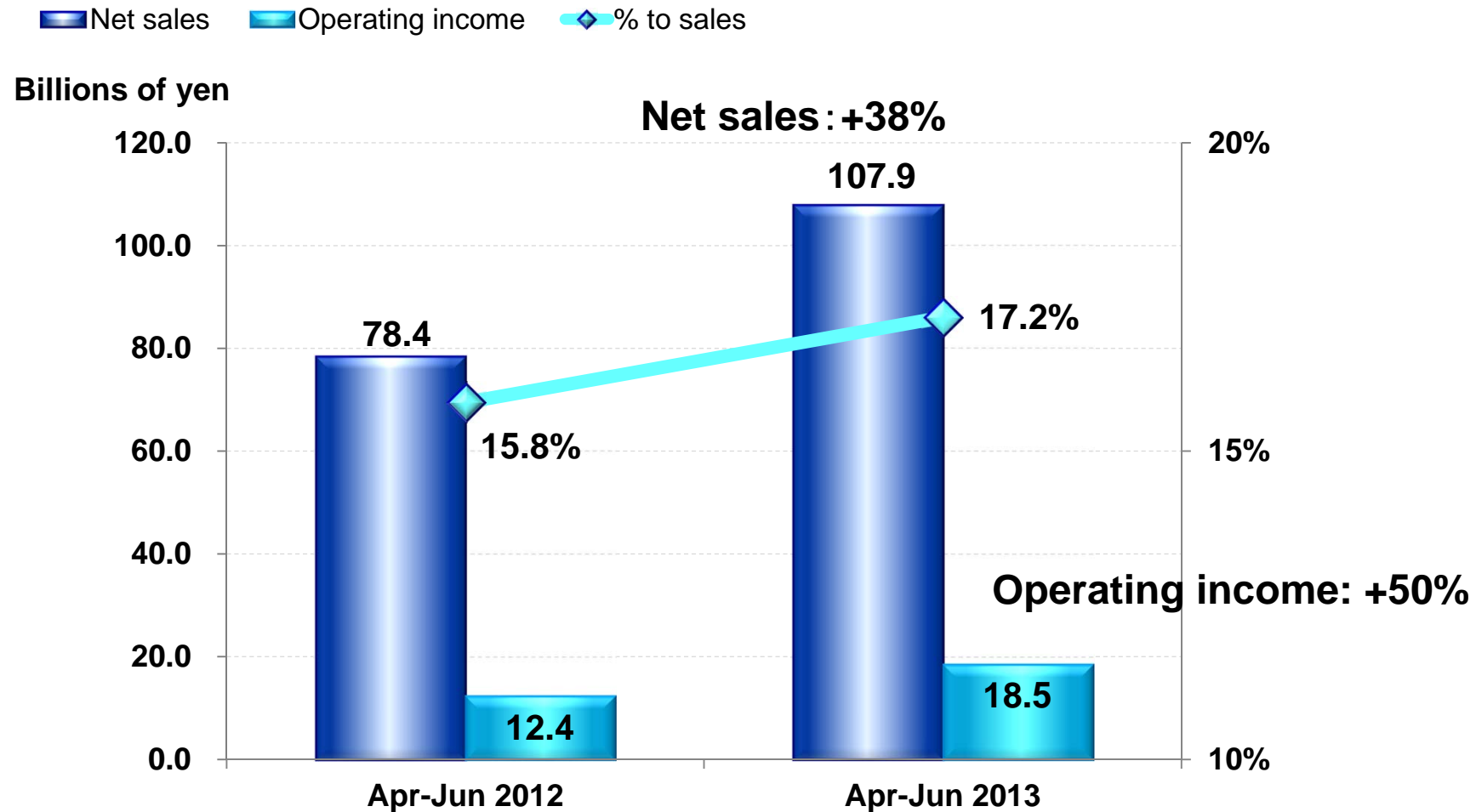
# 1Q of Fiscal 2014 (2) Results by Business Segment

✓ Substantial YOY increases in sales and income for Medical Business, operating loss improved in Imaging Business

(Billions of yen)		Fiscal 2013 1Q (Apr - Jun)	Fiscal 2014 1Q (Apr - Jun)	YoY Change	YoY (%)
Medical	Net sales	78.4	107.9	+ 29.5	+ 38%
	Op. income	12.4	18.5	+ 6.1	+ 50%
Life Science & Industrial	Net sales	17.7	19.9	+ 2.3	+ 13%
	Op. income	- 0.4	- 1.0	- 0.6	-
Imaging	Net sales	28.8	25.0	- 3.9	- 14%
	Op. income	- 1.5	- 0.6	+ 0.9	-
Information & Communication	Net sales	53.9	-	- 53.9	-
	Op. income	0.5	-	- 0.5	-
Others	Net sales	10.7	6.4	- 4.3	- 40%
	Op. income	- 1.1	- 1.4	- 0.4	-
Elimination and corporate	Net sales	-	-	-	-
	Op. income	- 7.8	-7.3	+0.5	-
Consolidated Total	Net sales	189.5	159.2	- 30.3	- 16%
	Op. income	2.1	8.2	+6.0	+ 286%

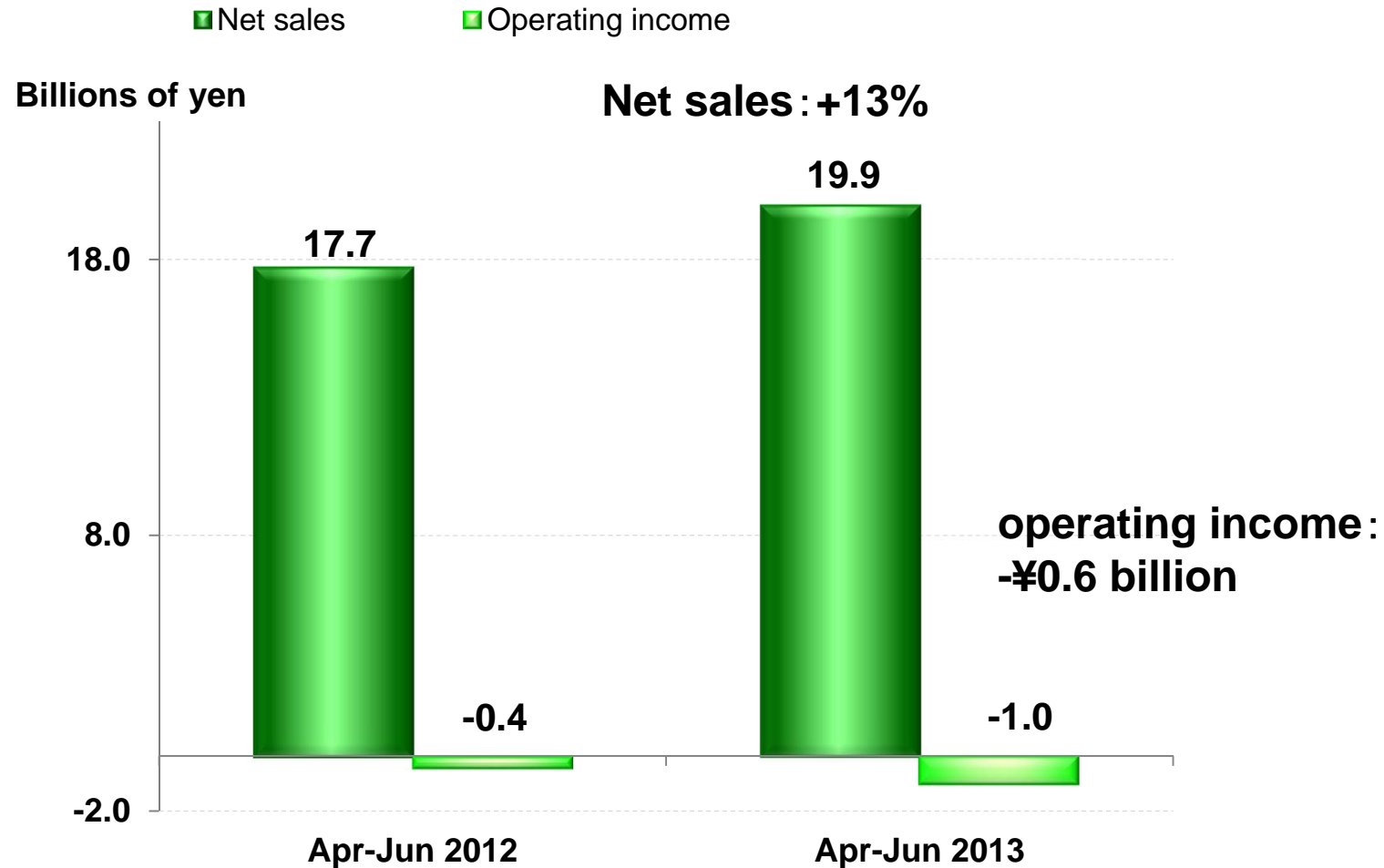
# 1Q of Fiscal 2014 (3) Medical Business

- ✓ New products performed well, substantial increases in sales and income
- ✓ 1Q sales exceed ¥100 billion for the first time



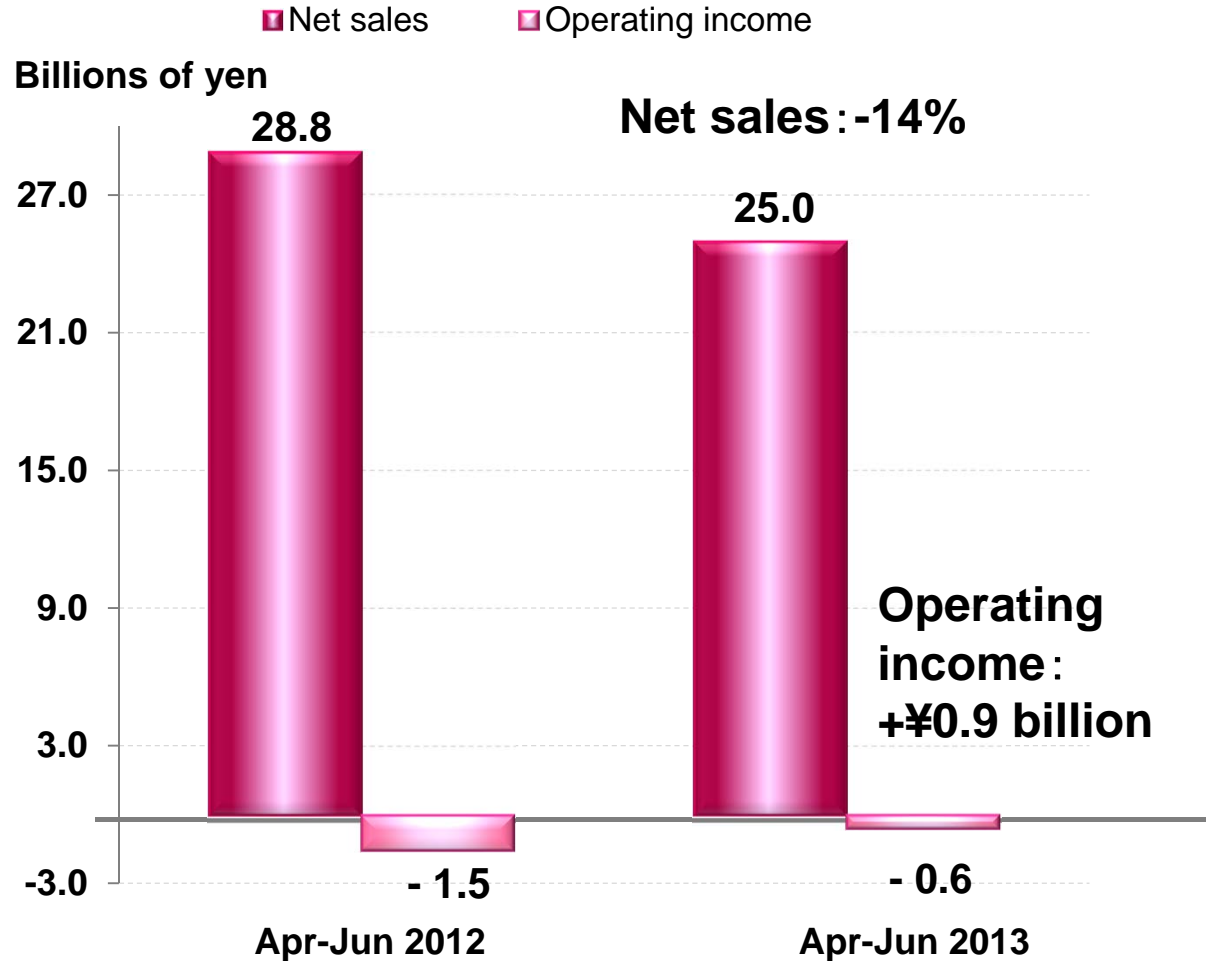
# 1Q of Fiscal 2014 (4) Life Science & Industrial Business

✓ Sales up due to solid sales of new products and macroeconomic improvements



# 1Q of Fiscal 2014 (5) Imaging Business

- ✓ Operating loss improved due to restructuring measures
- ✓ Sales of mirrorless cameras remained the same level as the previous year



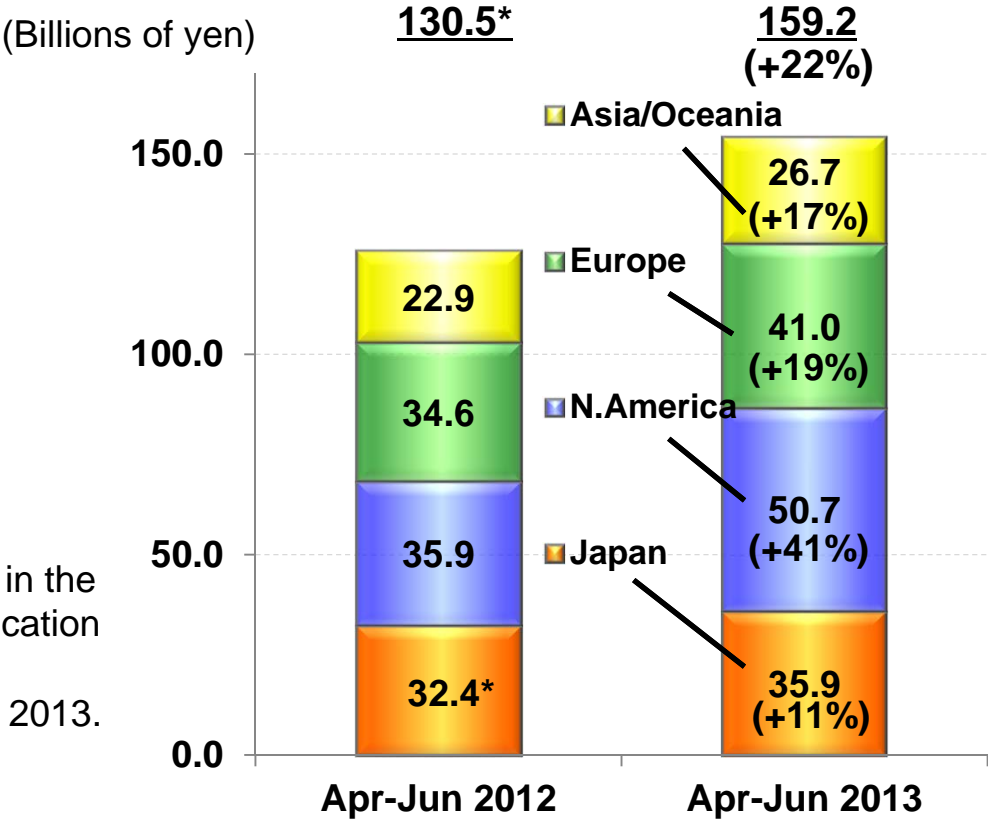
## Progress in Business Restructuring Measures

- ◆ Minimize risks in compact camera operations
  - Substantially reduced number of new fall model compact cameras
  - Shrunk inventories of existing compact camera models 60% from March 31, 2013 (unit basis)
- ◆ Construct cost structures appropriate for business scale
  - Completed closure of 1 manufacturing site, remaining 2 sites scheduled for closure early in second half of FY2014

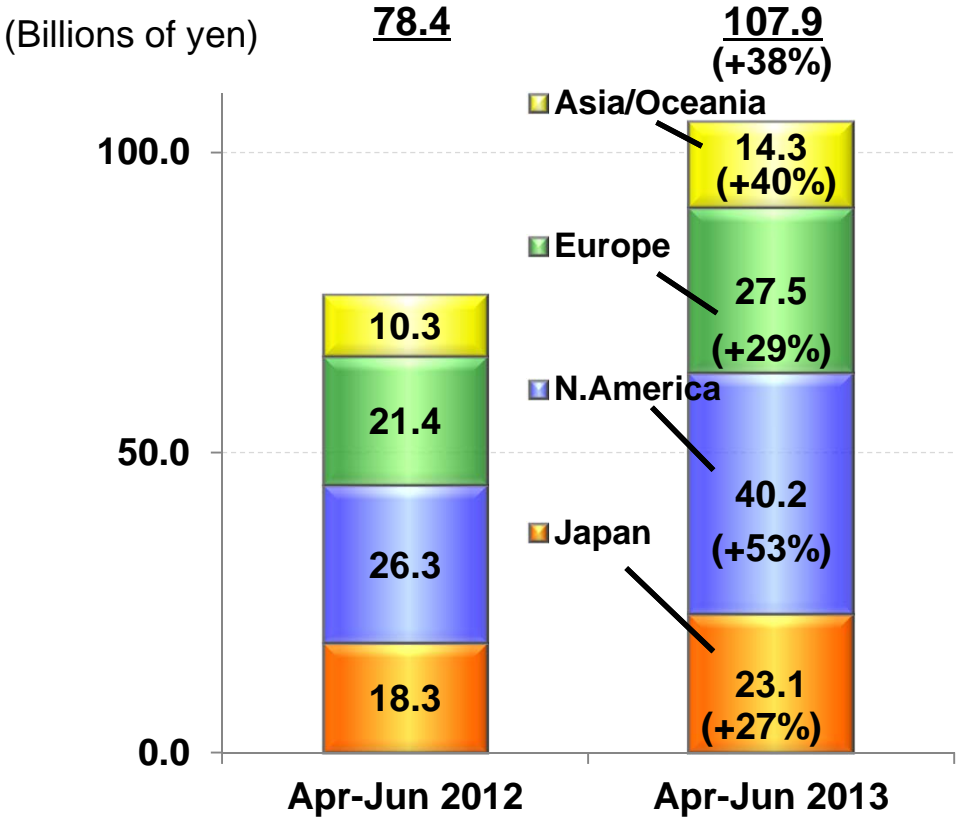
# 1Q of Fiscal 2014 (6) Net Sales by Region

✓ Sales increased substantially for Medical Business in all regions, supporting overall improvements

Consolidated Results



Medical Business



\* Figures exclude sales in the Information & Communication Business, which was transferred during fiscal 2013.

# Balance Sheet (End of June 2013)

- ✓ Interest-bearing debt down approx. ¥90 billion from March 31, 2013
- ✓ Equity ratio approx. 19%, up 3.4 points from March 31, 2013

(Billions of yen)	End Mar 2013	End June 2013	Change		End Mar 2013	End June 2013	Change
Current assets (Digital camera inventories)	541.0 (23.6)	461.2 (25.2)	-79.8 (+1.6)	Current liabilities	316.9	253.7	-63.1
Property, plant and equipment	129.8	131.3	+1.5	Non-current liabilities (Incl. bonds/ long- term loans payable)	491.5 (422.9)	470.7 (397.8)	-20.8 (-25.0)
Intangible assets	174.6	177.4	+2.8	Net assets	151.9	170.4	+18.5
Investments and other assets	114.8	124.9	+10.1	(Equity ratio)	(15.5%)	(18.9%)	(+3.4pt)
Total assets	960.2	894.8	-65.4	Total liabilities and net assets	960.2	894.8	-65.4

Interest-bearing debt: ¥471.8 billion (-¥ 88.6 billion from Mar. 2013)

Net interest-bearing debt: ¥324.3 billion (-¥6.5 billion from Mar. 2013)

# Cash Flows (April 2013 – June 2013)

( Billions of yen )		Fiscal 2013 1Q (Apr - Jun)	Fiscal 2014 1Q (Apr - Jun)	Change
Net sales		189.5	159.2	-30.3
Operating income		2.1	8.2	+6.0
(%)		1.1%	5.1%	+4.0pt
	CF from operating activities	13.1	11.5	-1.5
	CF from investing activities	-8.4	-6.5	+1.9
	CF from financing activities	0.3	-93.7	-93.9
Cash flow		5.0	-88.7	-93.7
Free cash flow		4.7	5.0	+0.3
Cash and cash equivalents at end of year		199.6	142.4	-57.2
Depreciation and amortization		7.8	8.7	+0.9
Amortizaion of goodwill		2.7	2.3	-0.4
Capital expenditures		7.9	7.9	0.0

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# Forecasts for Fiscal 2014

# Forecasts of Consolidated Financial Results for Fiscal 2014

- ✓ Results in line with full-year forecasts announced in May 2013 (No change to 1st-half or full-year forecasts)
- ✓ Substantial improvements in operating income and all items below forecasted for 1st half and full year

( Billions of yen )	Fiscal 2014 1H (Apr - Sept) (Forecast)	YoY (%)	Fiscal 2014 Full-year (Forecast)	YoY (%)
Net sales	335.0	-17%	700.0	-6%
Operating income (% to net sales)	27.0 (8.1%)	+50%	71.0 (10.1%)	+102%
Ordinary income (% to net sales)	17.5 (5.2%)	+137%	48.0 (6.9%)	+268%
Net income (% to net sales)	10.0 (3.0%)	+25%	30.0 (4.3%)	+274%

Foreign exchange rates : ¥/US\$ = ¥90, ¥/Euro = ¥120

# Segment Forecasts for Fiscal 2014

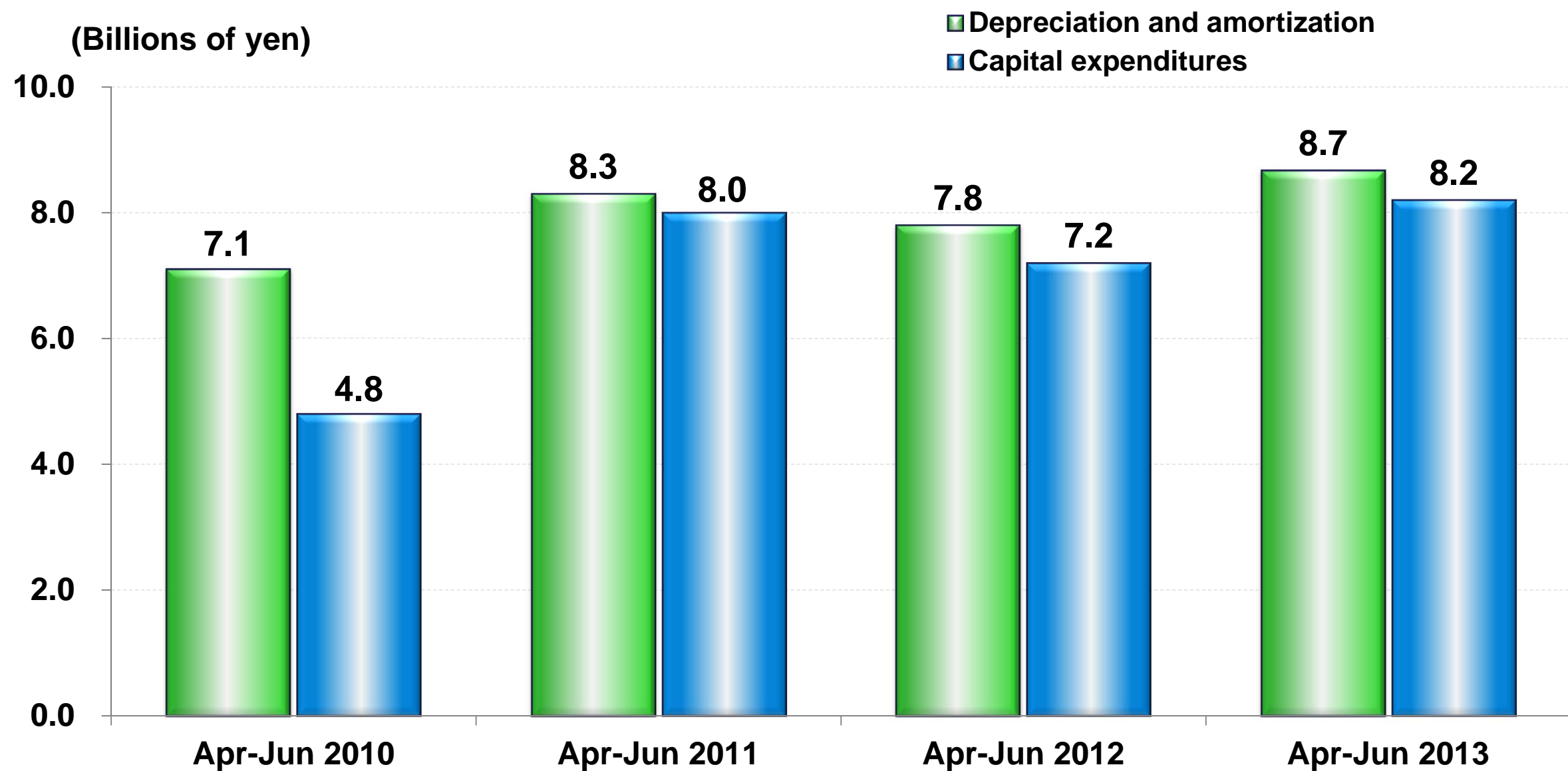
( Billions of yen )		Fiscal 2014 1H (Apr - Sept) (Forecast)	YoY (%)	Fiscal 2014 Full-year (Forecast)	YoY (%)
Medical	Net sales	223.0	+27%	470.0	+19%
	Op. income	46.0	+23%	101.0	+16%
Life Science & Industrial	Net sales	46.0	+21%	100.0	+17%
	Op. income	1.5	+38%	7.0	+99%
Imaging	Net sales	53.0	-5%	104.0	-3%
	Op. income	0.0	-	0.0	-
Others	Net sales	13.0	-39%	26.0	-38%
	Op. income	-3.5	-	-5.0	-
Elimination and corporate	Net sales	-	-	-	-
	Op. income	-17.0	-	-32.0	-
Consolidated Total	Net sales	335.0	-17%	700.0	-6%
	Op. income	27.0	+50%	71.0	+102%



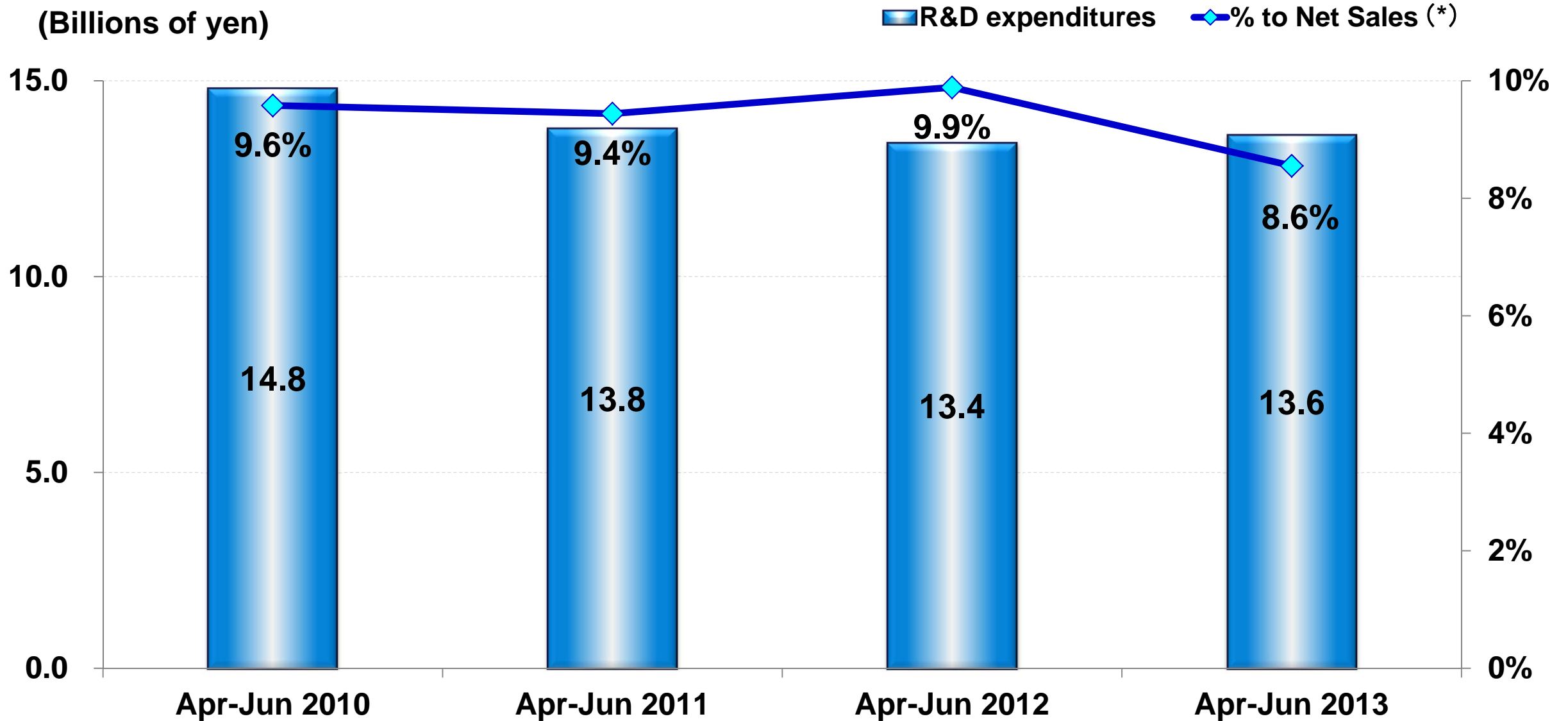
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# Supplementary Materials

# Depreciation and Amortization, Capital Expenditures

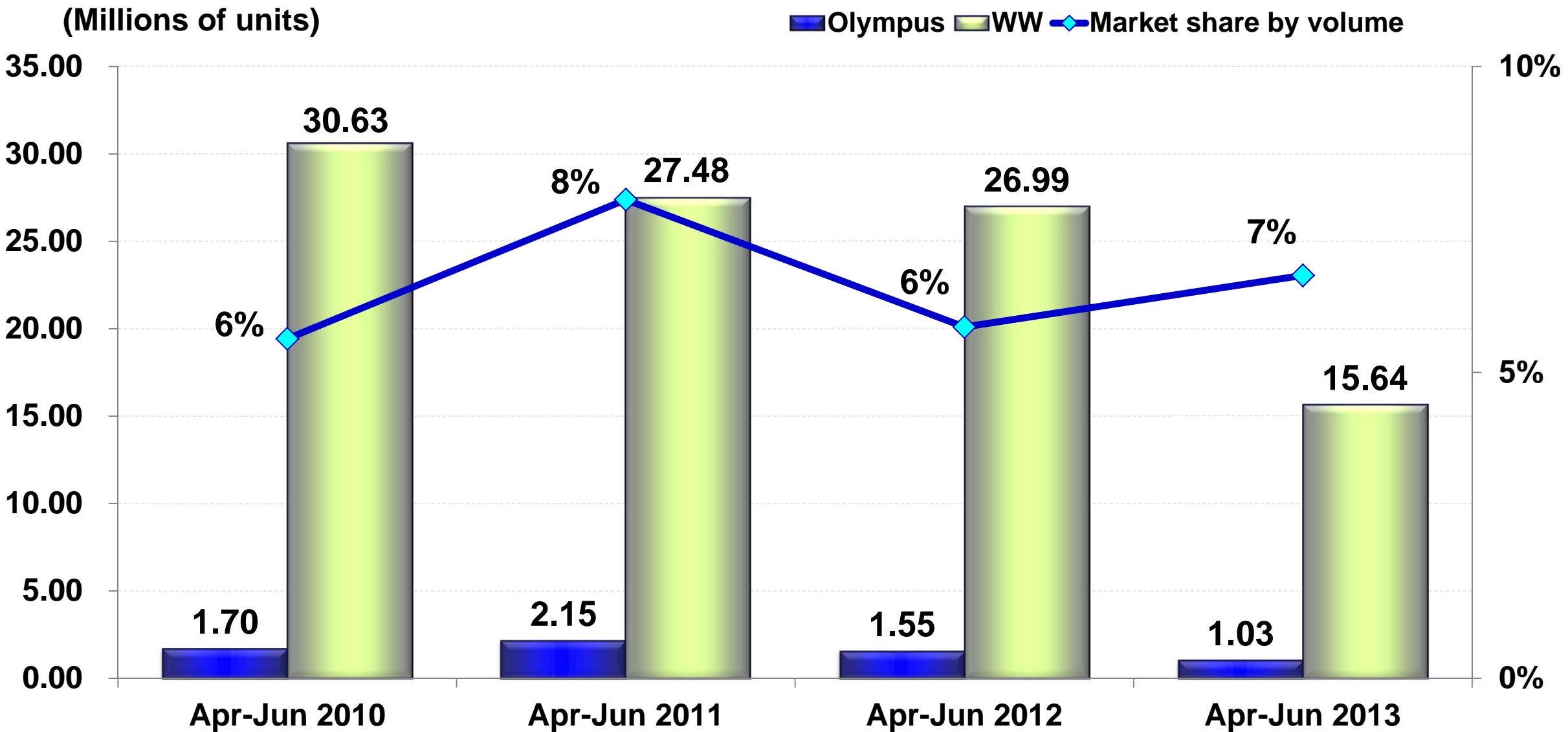


# R&D Expenditures



\* Figures exclude sales in the Information & Communication Business.

# Digital Cameras



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Performance forecasts and other forward-looking statements in this presentation reflect judgments and assumptions based on information available at the time of writing. Because of the uncertainty inherent to judgments and assumptions, and because of the potential for future changes in business operations, conditions in Japan or overseas, or other factors, actual results, etc., may differ substantially from the targets stated.

